

Approved: March 20, 2007

Minutes – KHPA Board Meeting of February 20, 2007, Eisenhower State Bldg, 4th Floor Conf Rm B, Topeka KS

Board Members Absent:

- Garen Cox

All Remaining Board Members Present

Board Staff Present:

- Dr. Marcia J. Nielsen, Executive Director
- Dr. Andrew Allison, Deputy Director
- Scott Brunner, Chief Financial Officer

Legal Counsel Present

- H. Philip Elwood

Guests:

- Craig Van Aalst, KS Insurance Department

Call to Order – Welcome by Connie Hubbell, Board Chair

Chair Hubbell called the meeting to order and reviewed today's agenda.

Review and Approval of Minutes. The minutes from the January 23, 2007, KHPA Board meeting had been previously distributed and reviewed by the Board members.

ACTION: A motion was made, seconded and passed to approve these minutes as printed.

Introductions/Legislative Updates/Announcements by Dr. Marcia J. Nielsen, Executive Director

Introductions of new KHPA Directors. Two new KHPA Directors within the Medicaid/HealthWave Programs were introduced, who are: Darin Bodenhamer, the new Director of Eligibility; and Dr. Margaret Smith, the new Director of Medical Policy. Both individuals joined KHPA during the month of February.

Legislative Studies. As requested by the 2007 legislature, two additional legislative studies were recently completed and distributed to the 2007 legislative committees concerning the Massachusetts Commonwealth Health Insurance Connector and Stem Cell Research. Copies of these studies are available on the KHPA website: www.khpa.ks.gov

Legislative Testimony/Bills of Interest to KHPA. Dr. Nielsen summarized the topics of recent testimony presented during the past month as well as bills of interest to the agency which included:

- House Health Task Force, KHPA Overview: Issues for a Healthy Kansan, 1-31-07
- House Social Services Budget, KHPA Budget Hearing, 2-5, 2-6, and 2-7-07
- Senate Public Health and Welfare, SB 243, Expansion of Health Insurance Coverage to Young Adults, 2-21-07
- Senate Health Care Strategies, SB 309, Enacting KS Health Care Connector, 2-19 and 2-20-07
- Senate Ways and Means, SB 323, KHPA Technical Edits, 2-19-07

Agency Website: www.khpa.ks.gov

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- House Insurance and Financial Institutions, HB 2172. Pilot Program to allow certain small business to provide health insurance through the state employees health benefits program, 2-7-07
- HB 2026, Proposal to allow all school districts to participate in the State Employees Health Benefit Program.

A brief discussion was held among the Board members on the proposal for a Kansas Health Insurance Connector Act (SB 309). Copies of SB 309 were distributed along with a Bill Worksheet prepared by the KS Legislative Research Department which outlined various components of the bill. Dr. Nielsen stated that, along with the increased interest shown in this proposal, there had been an additional presentation provided to various legislative committees by Edmund Haislmaier with the Heritage Foundation. A summary of the Heritage Foundation's presentation was distributed to the Board members by KS Health Institute staff. Lastly, Dr. Nielsen reported that the American Legislative Education Council (ALEC) had recently presented to various legislative committees on national Medicaid Reform.

Dr. Nielsen reviewed the Agency Bill Tracking document with the Board members and asked the Cabinet Secretaries to describe the bills for which their agencies have provided testimony.

- Secretary Kathy Greenlee, Department on Aging, responded that her staff had provided testimony on: 1) SB 176, regulations concerning Dental Hygienists; 2) SB 352, provider assessment for nursing facilities; and 3) HB 2236, Geriatric Mental Health Act.
- Secretary Rod Bremby, KDHE, added that his staff had provided testimony on: a) SB 37, ban on indoor smoking; b) HB 2224, expansion of newborn screenings; c) HB 2227, requirements of certain tests/inoculations prior to school admission or attendance; d) HB 2090, relating to physical education requirements and measuring school children's BMI to address childhood obesity; and e) HB 2423, Creation of Task Force – Obesity Prevention and Management.

Report by Dr. Andrew Allison, Deputy Executive Director and Acting Director of Medicaid and HealthWave Programs

Update on Medicaid Managed Care Transition. The "transition" of the Medicaid Managed Care contracts has been successful and copies of thank-you letters to stakeholders and legislators were distributed to the Board. Dr. Allison thanked the KHPA staff and stakeholders for their commitment and perseverance in making this transition successful for the beneficiaries and the new contractors. KHPA will continue to work closely with stakeholders to resolve operational issues.

Impact of new Citizenship and Identity Verification Requirements. Dr. Allison reported on recent meetings held in mid-February with the Congressional delegation as well as with Dennis Smith with the Centers for Medicare and Medicaid Services (CMS) while in Washington DC. These meetings were held to discuss the unexpected negative impact the recent federal requirements have had on Kansans who need Medicaid services, which now requires many Medicaid applicants to provide documentation to verify their citizenship and identity. There have been between 18,000 and 20,000 Kansans who have lost Medicaid benefits as a result of this new federal law which became effective July 1, 2006. Other issues discussed with the delegation and Mr. Smith included: status of payment reform (DSH/hospitals), the impact of the President's budget proposals, and the reauthorization of the State Children's Health Insurance Program (SCHIP) for Kansas. Dr. Nielsen referred the Board members to an additional resource, which was information distributed by the Center on Budget and Policy Priorities dated 2-2-07 which compared how other states are faring with these new Medicaid citizenship documentation requirements. Dr. Allison closed by stating periodic updates on these issues will be provided to the Board members.

Update on CMS Deferrals/Disallowances. Regular meetings with KHPA, CMS officials and other affected state agencies are being held to discuss progress being made on OIG and CMS audit/deferral issues, as well as areas of Targeted Case Management, Local Education Agencies, Child Welfare, and Mental Health. Both Dr. Nielsen and Dr. Allison are encouraged by the progress being made in these areas. Dr. Nielsen added that this on-going communication with CMS is reflective of the importance of partnering with CMS on the deferrals/audit issue, as well as the issues of premium assistance, federal DSH funding, and Health Information Technology and transparency. Board Vice-President Joe Tilghman complimented Dr. Nielsen and her staff for their willingness to address difficult situations, such as the citizenship issue, CMS deferrals, and DSH reform and especially noted the work of KHPA staff with the recent success in the managed care contract transition.

Report on Disproportionate Share for Hospitals (DSH). Meetings have been held with KHPA and key stakeholders to develop specific proposals to DSH reform. These proposals will be closely reviewed and reframed by Dr. Allison and members of a DSH workgroup, with plans to meet again in the near future with the DSH stakeholder group. An update will be provided to the KHPA Board members in April or May

Draft Legislative Study: The Definition and Impact of Specialty Hospitals in Kansas. Copies of this draft legislative study, which is due to the 2007 legislative committees on March 1st, were distributed and reviewed. A lengthy discussion among Board members was then held relating to the lack of specific recommendations for the definition of a “general hospital”, “special hospital”, and “specialty hospital,” for purposes of state licensure. It was expressed by several Board members that the report should be revised to include these specific recommendations and that the scope of the report should be narrowed to focus on the question of hospital definitions and licensure.

- **ACTION:** A motion was made, seconded and carried recommending: 1) that Dr. Nielsen contact the Committee Chair to request an extension of this report, 2) that the final report would be delayed until March 21st or after, which would allow the Board members an opportunity to approve the revised report at the March 20th monthly KHPA Board meeting, and 3) that KHPA staff determine whether or not additional recommendations and conclusions were needed.

Report by Scott Brunner, Chief Financial Officer

Review of Expenditure Report and Performance Summaries. The KHPA FY 2007 expenditure report which outlined expenditures through January 2007 was reviewed by the Board members. This included expenditures in the areas of Assistance, Administration, Funding, and the State Employees Health Benefits program. A brief review of the agency performance summaries for Medicaid and the State Employee Health Benefits Program was done at this time.

Report by Dr. Marcia Nielsen, Executive Director

KHPA Board Retreat Report. Final copies of the KHPA Board Retreat Report were distributed which outlined the discussions made at the January 22/23, 2007 KHPA Board Retreat relating to the creation of the new steering committee “Health For All Kansans” as well as the role of the new Advisory Councils. Copies of this report are available on the KHPA website: www.khpa.ks.gov

Health For All Kansans Steering Committee. Members of this new steering committee include: Dr. Marcia Nielsen, Dean Gail Agrawal, Senator Jim Barnett, Secretary Rod Bremby, Representative Jeff Colyer, Troy Findley, Ned Holland, Senator Laura Kelly, Dr. Vernon Mills, Susan Page, Sandy Praeger, Joe Tilghman, Dr. Andy Tompkins, and Representative Valdenia Winn. Meetings have been held on February 9th and 19th. A revised list of six legislative proposals has since been developed, for the committee’s review at the next meeting scheduled for March 5th; this list was reviewed at today’s meeting by the Board members. These proposals included: Early Detection; Healthy Kansas Zero to Five; DRA Flexibilities; Premium Assistance; Health insurance Exchange; and Reinsurance. A brief discussion was held on the role of the steering committee, as well as the Advisory Councils, with the Board; the goals and timelines of the steering committee were also discussed.

- **ACTION:** Chair Hubbell requested that an update on the steering committee be provided at the March 20th KHPA Board meeting.
- **ACTION:** Discussion was held and recommendation was made for Joe Tilghman to be named the Chair of the Health For All Kansans steering committee. The Board members concurred with this recommendation.

Dr. Nielsen closed this discussion by advising there has been additional grant funding in the amount of \$35,000 made available to KHPA, provided by the Heinz Family Philanthropies, which will provide resources to research and develop an analysis which will track short-term costs of implementing these proposals compared with the long-term economic impact on populations served.

Presentation by LJ Frederickson, Director of State Employees Health Benefits Plan (SEHBP)

An overview of SEHBP was provided which outlined: 1) SEHBP Demographics; 2) List of Chronic Illnesses in the Plan; 3) Market Influences in Kansas; 4) Challenges in Health Management, Plan Design, Quality

Measurement, and Collaboration; 5) Opportunities in SEHBP to rethink health care benefits; and 6) Description of Value Based Benefit Design.

Report on KHPA Advisory Councils by Dr. Marcia Nielsen, Executive Director

There were 140 individuals who responded to the invitation to provide a nomination to one of the KHPA Advisory Councils (Consumer, Provider, Purchaser). These nominations were reviewed by the KHPA Executive Committee and final memberships to each Council were distributed to the Board members for approval at today's meeting. These Councils will begin meeting in late-March or April; the meetings will be open to the public and initially will be held on a monthly basis. Each Council will select a Chair at the first meeting, who will ensure that regular updates are provided to the Board.

Due to the overwhelming interest in these Councils shown by stakeholders, the KHPA Executive Committee had discussed creating an additional Health Reform Council. This Council would include a number of individuals who had previously submitted their nomination/resume and who would be interested in participating in an At-Large Health Reform Council which would most likely meet twice a year in a "Town Hall" setting.

- **ACTION:** Motion was made, seconded, and carried to accept the recommended memberships to the Consumer, Provider and Purchaser Councils as distributed.

During the discussion held, it was announced that there would be two additional members made to the Purchaser Council; an amended Purchaser Council membership list would be distributed at a later date.

- **ACTION:** An amended motion was made, seconded and carried to accept these recommended memberships, understanding that two additions would be made to the Purchaser Council list.

Report by Chair Connie Hubbell

Update on HealthE MidAmerica Pilot Project. Chair Hubbell advised that a presentation on this pilot project had been made to the Board at the December monthly meeting, that additional clarification had been received, and that revisions had been made to the proposal. She added that the KHPA Executive Committee reviewed this proposal during its February 8th meeting and that, due to the timeframe for implementation and because of the relatively small implementation cost, the Executive Committee made the decision to approve and proceed with this proposal.

Proposed Regulation 129-5-1. Chair Hubbell advised that the Executive Committee reviewed proposed regulation 129-5-1, which related to the placement and removal of specific drugs from the Prior Authorization process, and recommended the Board's approval of this regulation

- **ACTION:** A roll call vote was taken to approve this regulation; one member abstained; one member was absent; and remaining seven members vote in favor to approve.

Public Comment Period

There were no comments from the public received.

Adjournment

Next Meeting: Tuesday, March 20, 2007, 8:30 to 3:30 at the Eisenhower State Office Building, 701 Harrison, 4th Floor, West Wing Conference Room, Topeka KS

Agenda Items:

- Status of Health For All Kansans steering committee – Dr. Marcia Nielsen
- Approve final study of Specialty Hospitals in Kansas – Dr. Andrew Allison
- Update/Progress of Advisory Councils – Dr. Marcia Nielsen
- Report on Budget Hearings/Status of proposed agency budget initiatives – Scott Brunner